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JUN 15 2007

BEFORE THE  
PUBLIC SERVICE COMMISSION OF WISCONSIN

Joint Application of Wisconsin Gas LLC and Wisconsin Electric Power Company, as Gas Public Utilities, for Authority to Construct a Natural Gas Line in Brown, Calumet and Outagamie Counties, Wisconsin, for the Purpose of Connecting Their Existing Natural Gas Distribution Systems in the Appleton, Kimberly and Combined Locks Areas to a Proposed Expansion of the Guardian Pipeline

5-CG-103

**FINAL DECISION**

This is the Final Decision in the application of Wisconsin Gas LLC (WG) and Wisconsin Electric Power Company (WEPCO) (together, Applicants) for authority to construct a natural gas line and associated facilities in Brown, Calumet, and Outagamie Counties, for the purpose of connecting their existing natural gas distribution systems in the Appleton, Kimberly, and Combined Locks areas to a proposed expansion of the Guardian Pipeline LLC (Guardian) system.

The application is APPROVED, subject to conditions.

**Background**

On October 13, 2006, Applicants, as natural gas public utilities, filed with the Commission an application under Wis. Stat. § 196.49 and Wis. Admin. Code § PSC 133.03. The joint application seeks authority to construct a 13-mile natural gas lateral for the purpose of connecting their existing natural gas distribution systems in the Appleton, Kimberly, and Combined Locks areas to a proposed expansion of the Guardian interstate pipeline often referred to as Guardian II. Guardian's application to construct a 110-mile expansion of its existing

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pipeline from the Ixonia area to the Green Bay area is currently being reviewed by the Federal Energy Regulatory Commission (FERC).

The WEPCO/WG application was reviewed jointly with a natural gas construction application filed by Wisconsin Public Service Corporation (WPSC) in docket 6690-CG-160 and a natural gas construction application filed by WG in docket 6650-CG-220, seeking authority to also construct laterals to connect portions of their existing distribution systems to the proposed Guardian II expansion.

On November 21, 2006, the Commission issued a Notice of Proceeding and Prehearing Conference in the docket. WG and WEPCO are parties to the proceeding. Other parties include ANR Pipeline Company (ANR), Wisconsin End-User Gas and Electric Association, and Wisconsin Paper Council.

A technical hearing was held on March 15, 2007. Public hearings were held in De Pere, and Fond du Lac on March 20 and March 21, 2007. Many potentially affected landowners and utility customers testified at the public hearings and filed written comments.

The Commission considered the WEPCO/WG application at its open meeting on May 31, 2007. Commissioner Lauren Azar recused herself from participating in the discussions and decisions regarding this docket.

### **Findings of Fact**

1. There is a need for additional interstate pipeline capacity to serve Wisconsin.
2. There is a need for the proposed facilities and the project is cost effective.
3. The Applicants' lateral would connect to the proposed Guardian Pipeline expansion to provide an alternate physical path along which natural gas can flow to Applicants'

distribution systems, thereby improving Applicants' ability to meet customer demand for natural gas.

4. The co-existence of the connecting laterals and Guardian II with the existing ANR pipeline system would improve the security and reliability of Applicants' natural gas supplies relative to the levels associated with ANR alone.

5. The connecting lateral and Guardian II would provide a competitive alternative for interstate natural gas transportation.

6. When the proposed project is placed in operation, the increase in value or available quantity of service will be at least as great as the addition to Applicants' cost of service associated with the proposed project.

7. The efficiency of the service that the Applicants provide will not be diminished by the completion of the proposed project.

8. The proposed project will not provide facilities unreasonably in excess of Applicants' probable future requirements.

9. There is a positive net present value associated with the construction of the proposed project.

10. Upon review, the plans, specifications, and estimated costs of the proposed project are reasonable.

11. Neither energy conservation, renewable resources, nor other energy priorities listed in Wis. Stat. §§ 1.12 and 196.025 would be a cost effective alternative to the proposed project.

12. It is reasonable to defer any decision concerning WEPCO's and WG's ability to recover contract overlap costs until an applicable gas supply plan filing review.

13. It is reasonable to require WG and WEPCO to install pig launchers and receivers as described in the Discussion section of this Final Decision.

14. No significant environmental consequences are associated with the proposed project.

15. No significant risk of flooding is associated with the proposed project.

16. The construction of the proposed project will not affect any historic properties.

### **Conclusions of Law**

1. WG and WEPCO are public utilities as defined in Wis. Stat. § 196.01(5)(a) and are required to obtain a Certificate of Authority for their proposal under Wis. Stat. § 196.49(3) and Wis. Admin. Code § PSC 133.03(1)(h).

2. The Commission has authority under Wis. Stat. §§ 1.11, 29.604, 44.40, 196.02, 196.395, 196.40, and 196.49, and Wis. Admin. Code § PSC 133.03 to issue a certificate of authority and order with conditions, authorizing WG and WEPCO to construct the proposed projects as described in the Discussion section of this Final Decision.

3. The proposed project is reasonable and appropriate under Wis. Stat. § 196.49.

### **Discussion**

#### **Applicants and the Project**

Applicants are natural gas public utilities as defined in Wis. Stat. § 196.01(5)(a) and are engaged in the business of selling and distributing natural gas to the public in areas throughout Wisconsin. Applicants are proposing to construct a natural gas lateral for the purpose of

connecting their existing natural gas distribution systems to a proposed extension and expansion of the Guardian interstate natural gas pipeline. Guardian proposes to expand the delivery capacity of its existing interstate pipeline by 437,200 dekatherms (Dth) per day<sup>1</sup> with the construction of two new compressor stations along its existing facilities, and to extend its pipeline by constructing 110 miles of new pipeline from Ixonia to Green Bay. The proposed extension of the Guardian Pipeline is subject to the approval of FERC and is not the subject of this proceeding.

Applicants' proposed construction (referred to as the Fox Valley project or the proposed project) will be located entirely within Applicants' adjacent service territories in Brown, Calumet and Outagamie Counties and consists of four segments.

The eastern part of the Fox Valley lateral, Segment 1, will extend westward from the connection with the Guardian expansion to the terminus of County Trunk Highway (CTH) CE in the city of Kaukauna. Segment 1 consists of 20-inch diameter steel pipeline. There are two routes in the application for Segment 1. The northern route option is WEPCO/WG's preferred route. It starts at Guardian's proposed meter station in the town of Holland, Brown County. From this point the northern route option proceeds due west until it intersects Kavanaugh Road, then 1,300 feet south to Weiler Road, then west to CTH CE, and then west approximately 8,000 feet along CTH CE to where CTH CE crosses Kankapot Creek. This route option utilizes approximately 12,000 feet of public road right-of-way (ROW) and 10,500 feet of private easement. The alternate southern route option starts where the proposed Guardian Pipeline crosses an existing American Transmission Company LLC (ATC) electric transmission line in the town of Harrison, Calumet County. This route runs west along the electric line corridor for a

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<sup>1</sup> A supplemental RFP in March 2005 increased the total requested service quantity to 537,200 Dth per day.

distance of about four miles. From there the gas line runs north to CTH CE in private easement, except for approximately 1,300 feet that is along Speedway Lane. The alternate route has a total length of approximately 29,000 feet, of which 1,300 feet is in existing road ROW.

Segment 2 connects with Segment 1 and extends northward into the city of Kaukauna, tying into the WG distribution system near the Wisconsin Public Power, Inc.-Kaukauna electric generation facility. Segment 2 consists of about 1.25 miles of 8-inch diameter steel pipeline. Segment 2 would be located within the existing municipally-owned ROW of the Kankapot Creek recreational trail.

Segment 3 will extend west from Segment 1 to the WG high pressure distribution system in the village of Kimberly. Segment 3 consists of about 4.7 miles of 16-inch diameter steel pipeline. About 3.5 miles of Segment 3 would be located within CTH CE ROW, about 0.75 miles would cross grass athletic fields and commercial lawns on private easements, and the remainder would be built within streets in the village of Kimberly.

Segment 4 connects the existing WG high pressure distribution system north of the Fox River in the village of Little Chute to WEPCO's existing natural gas distribution system in the city of Appleton. Segment 4 consists of about 2.5 miles of 12-inch diameter steel pipeline. The proposed route runs adjacent to a railroad ROW and along streets.

Pursuant to Wis. Stat. § 196.49 and Wis. Admin Code § PSC 133.03(1)(h), a natural gas utility must obtain a certificate from the Commission authorizing it to construct, install, and place in operation any single gas line project the cost of which exceeds \$600,000 or 4 percent of the utility's gross gas operating revenue received during the previous calendar year, whichever is less. The estimated cost of the Fox Valley project is between \$23.9 million and \$25.5 million,

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with the variation in the estimated cost due to having two alternatives for Segment 1 of the lateral.<sup>2</sup>

### **Need for the Project**

The proposed Guardian Pipeline expansion and the Applicants' connecting lateral project are needed to accommodate growth in WG's and WEPCO's natural gas demand and to enhance the security and reliability of their natural gas deliveries. The proposed lateral project will provide increased pipeline competition at a positive net present value.

WEPCO has subscribed to 201,656 Dth and WG has subscribed to 90,105 Dth of the 537,200 Dth per day Guardian II capacity that would be added to Wisconsin. As part of its application, Applicants submitted an analysis of the need for additional natural gas transportation capacity in the state of Wisconsin. This analysis, based on historical growth, projections of future growth including electric generation use, and other publicly available data concluded that there was a need for additional pipeline capacity. Part of the needs analysis reflects the impact of the original construction of the Guardian Pipeline. That project added 750,000 Dth per day of additional capacity into Wisconsin in 2002. At that time, it was expected that there would be excess capacity into the future; however, that capacity, as well as an additional 200,000 Dth per day added by ANR and Northern Natural Gas Company since the original Guardian Pipeline's construction, is effectively sold out.

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<sup>2</sup> The specific allocation of project costs to be borne by WEPCO and WG is subject to a pending affiliated interest agreement in docket 5-AG-105.

This analysis was reviewed by the Commission staff, who found it to be reasonable. No party to this proceeding has disputed the need for additional capacity and the Commission is persuaded by the record that a need for additional capacity exists.

**WEPCO's and WG's Process Used to Select Guardian II and the Connecting Laterals (RFP Process)**

Applicants, along with WPSC and Wisconsin Power and Light Company,<sup>3</sup> solicited bids for additional capacity and, following a review of the responses, accepted a proposal from Guardian. The criteria of the requested proposals, along with a description of the bid process, are included in the application in this docket. In addition, the Applicants submitted a series of present value analyses comparing the Guardian proposal to other available alternatives. The analyses and bid process were reviewed by Commission staff, who found them to be reasonable. The methods and specific analyses utilized by the Applicants are consistent with methods and analysis typically used by Commission staff when evaluating the cost effectiveness of a proposed natural gas construction project. The Applicants' analyses show that the proposed project will have positive net present values over a range of assumptions. The Commission is persuaded by the record that both the process and the selection of Guardian as the successful bidder are reasonable.

The Guardian proposal was structured in such a way as to separate the Guardian expansion project from the construction of the laterals necessary to connect to the utility distribution systems and to require WEPCO, WG, and WPSC (the Utilities) to construct and own

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<sup>3</sup> Wisconsin Power and Light Company was originally part of the multiple utility group soliciting bids for capacity. Wisconsin Power and Light Company subsequently withdrew and was not part of further negotiations and proposed contracts.



the connecting laterals that are the subject of this proceeding, and dockets 6690-CG-160 and 6650-CG-220.

Sometime after the Utilities completed the bid process and Guardian II was selected as the best alternative over ANR and the other bidders, ANR submitted an unsolicited proposal to each of the Utilities, which would provide an alternative to the construction of the proposed connecting laterals. In lieu of the laterals, ANR proposed to provide short haul transportation service from an interconnection with the Guardian extension to existing points of interconnection between ANR and the Utilities' distribution systems. Under this proposal, ANR's transportation would be between each utility's distribution system and Guardian, and would substitute for the Utilities constructing, owning and operating the connecting laterals. ANR presented an analysis indicating that this would be a less expensive alternative than the Utilities' proposed construction and would cause less environmental disruption. The Applicants presented their own analysis of ANR's short haul proposal using various assumptions, and these analyses show that utility construction and ownership of the connecting laterals is more cost effective than contracting with ANR for short haul transportation.

ANR also criticized the Applicants' analysis showing Guardian to be the most economical alternative on the grounds that it ignored or understated certain costs and unfairly allocated costs of the laterals to transportation customers.

Commission staff reviewed the competing cost analyses that are part of the record, including the cost assumptions and the allocation issue. Commission staff's review of ANR's short haul proposal found that it contained a number of unreasonable assumptions, and it was not a viable alternative. Commission staff testified that the Applicants' analyses are reasonable, and

that the allocation method is both reasonable and consistent with past Commission ratemaking practice. The Wisconsin Paper Council, whose members are mainly natural gas transporters that would be allocated costs associated with the laterals under the Applicants' proposed method, testified that they were aware of the potential costs to them of the lateral projects, and are nonetheless in favor of the Applicants' proposed construction projects.

The Commission is satisfied that the record demonstrates that the Applicants' proposal is cost effective and reasonable. The Commission is not persuaded that ANR's analysis is realistic.

### **Other Benefits**

In addition to the economic analyses performed to support its decision to contract with Guardian for the additional pipeline capacity, Applicants considered a number of other benefits that arise from the selection of Guardian II and the connecting laterals. These benefits apply not only to the system sales customers of the Applicants and WPSC, but also to transportation customers in Wisconsin that are responsible for their own natural gas and transportation procurement.

Applicants claimed that a new interstate pipeline serving eastern Wisconsin, north of Milwaukee, would improve the reliability and security of natural gas deliveries to their distribution systems. ANR countered that the Applicants did not demonstrate that ANR's system used to serve the Applicants is not sufficiently reliable or that any enhanced reliability that may result from the redundant capacity could justify its cost. The record in this proceeding supports the Applicants' contention that Guardian II along with the connecting laterals proposed by the Applicants would likely result in improved reliability and security of natural gas transmission in eastern and northeastern Wisconsin, at a reasonable cost.

The Applicants also contended that Guardian II would improve their ability to serve future load growth in a timely manner and at competitive rates. The record shows that Guardian and the proposed connecting laterals are designed to accommodate low cost future expansions through the installation of one or more mid-line compressor stations, which would allow for significant market expansion to be served without the need to install additional mainline pipeline facilities north of Ixonia.

The Applicants point out that the rates available from Guardian II may well be a one-time opportunity due to a number of factors. First, the existing Guardian pipeline system has the ability for extremely low cost expansion between Joliet, Illinois and Ixonia, Wisconsin, primarily with the addition of compression and no costly looping of pipeline facilities. If the Utilities did not take advantage of this low cost pipeline capacity with Guardian II, Guardian may eventually sell the incremental capacity to other markets in northern Illinois or southeastern Wisconsin. Next, the joint participation of the Applicants with WPSC resulted in economies of scale and reduction of unit costs that was only possible with the aggregate of the volumes being acquired by all three utilities. It is not clear that this joint participation would be possible in the future.

### **Contract Overlap Costs**

It is anticipated that Guardian II and the connecting laterals will be available on November 1, 2008. However, there is no guarantee that Guardian II or the connecting laterals will be available on that date. In this situation, it is not unusual for gas utilities to incur gas transportation capacity contract overlap costs. WEPCO/WG requested Commission approval for the cost recovery of contract overlap costs that may arise due to Guardian II and the proposed connecting laterals.

The record shows that WEPCO/WG have taken steps to minimize contract overlap costs associated with Guardian II. Such issues, though, are typically reviewed in a comprehensive manner in the context of a utility's annual gas supply plan. It is reasonable for WEPCO and WG to continue managing these costs to minimize any ratepayer impacts, and to defer any decision concerning WEPCO's and WG's recovery of contract overlap costs until an applicable gas supply plan filing review.

### **Alternatives**

To increase natural gas transportation capacity, there is no viable alternative to the proposed project. It is unlikely that renewable resources, other forms of generation or additional energy conservation would be a cost-effective alternative. No special circumstances exist that would lead a decision-maker to conclude that additional conservation activities, renewable resources, or any other energy priorities listed in Wis. Stat. §§ 1.12 and 196.025 would be a reasonable alternative to this project.

### **Routing and Construction**

Prior to the filing of the application, a great deal of work was done to develop potential routes for the gas line. WEPCO and WG worked with Commission and Department of Natural Resources (DNR) staff to develop proposed routes by evaluating important factors including environmental impacts, landowner impacts, engineering, and safety. Existing corridors, such as transmission lines and roadways, were followed for considerable portions of the routes. The availability of many existing corridors aided in narrowing down route alternatives. The Applicants have worked with and continue to work with potentially affected landowners to minimize any adverse impacts.

The project application included numerous proposed construction methods and environmental mitigation practices. Some of these were updated or added to during the project review and hearing process. The reviews and evaluations of the proposed project assumed these methods and practices would be followed. It is reasonable to require that all construction and environmental mitigation methods included in the project application, as modified during the project review and hearing process, be followed when constructing the proposed project, unless specifically modified by this Final Decision or related DNR permits. Also, it is reasonable to require that the project be constructed in accordance with all applicable state and federal pipeline safety provisions, including Wis. Admin. Code ch. PSC 135 and 49 CFR Parts 192 and 199.

#### **Route for the Eastern Segment 1 of the Lateral**

On the Fox Valley lateral, there are two route options on the eastern end of the lateral. The northern route option is the shorter of the two options. It utilizes approximately 12,000 feet of public road ROW and 10,500 feet of private easement. The northern option also passes by Kaukauna High School.

The southern route starts where the proposed Guardian Pipeline crosses an existing ATC electric transmission line. The line runs west along the electric transmission line to a point about 7,000 feet west of Harwood Road. From there the line runs north to CTH CE in private easement except for approximately 1,300 feet that is along Speedway Lane. The southern route has a total length of approximately 29,000 feet, of which 1,300 feet is in existing road ROW.

Commission staff preferred the southern route for safety reasons, while the company testified it would prefer the northern route because it is shorter and less costly.

In considering its choices, the Commission selected the southern route option, as the benefits of using an existing utility corridor, the opportunity to avoid developed areas, and the reduced exposure to potential third-party damage outweighed its higher cost.

The estimated cost of the proposed project incorporating the use of the southern route options is \$25.5 million.

### **Archeological and Historical Resources**

Wisconsin Historical Society (WHS) records include two listed archeological sites that may be in the immediate vicinity of the route of the Fox Valley lateral pipeline (WHS site references OU-0021 and OU-0093). Both sites are located along Segment 4, north of the Fox River. The location information contained in the records for the two sites is vague. The general locations of the two sites have been heavily modified for residential and commercial developments. Both sites are identified as Native American villages and lack precise location or other site information. It is not possible to identify any clear risk to these sites from construction of the proposed pipeline, given the overall lack of information about the sites. WG and WEPCO have proposed to have a qualified archeologist perform a Phase I site investigation along the gas line route prior to construction. If remnants of either site are found during the Phase I survey, methods would be developed to avoid impacts to the site or sites prior to construction and subject to further Commission approval.

No other known archeological or other historic resources were identified in WHS records that appear to be at risk from construction of the proposed Fox Valley lateral.

### **Construction Practices Related to Oak Wilt**

The construction of the proposed gas lines would require cutting and trimming of trees, including oaks. Oak trees are susceptible to a fungal disease known as oak wilt. The cutting and trimming of oak trees can contribute to the spread of the disease. A variety of tree cutting and trimming practices have been developed to help reduce the spread of oak wilt. DNR recommended that the Applicants be required to follow a set of oak wilt management practices described on DNR's website. A WEPCO/WG witness responded that the oak wilt management practices contained in Wis. Admin. Code § PSC 113.0511, which were developed for electric utility tree clearing and pruning activities, would be more appropriate than the general guidelines published on DNR's website. DNR staff noted that the Wis. Admin. Code § PSC 113.0511 requirements for electric utilities are similar to DNR's website guidelines for work in urban areas, but are less restrictive for work in rural areas (requiring protection of exposed tree surfaces rather than limiting cutting or trimming at certain times of the year). The principal concern expressed by WEPCO/WG is the greater potential for project delays in rural areas if the website guidelines were followed due to the periods of restricted cutting or trimming. The Commission noted that it previously established for electric utilities the practices contained in Wis. Admin. Code § PSC 113.0511, and that it is reasonable to require WEPCO and WG to follow these oak wilt management practices during construction of the proposed lateral gas line.

### **Pig Launchers and Receivers**

Current pipeline safety codes require that all new transmission lines be designed to permit the passage of internal instrumented inspection devices. These devices are commonly referred to as "pigs." In its application, WEPCO and WG proposed to not install pig launchers

or receivers. Applicants proposed designing the gas lines to accommodate the use of temporary launchers and receivers in the future, but not to actually install the equipment during the initial construction. In deciding to require WEPCO and WG to install the launchers and receivers, the Commission determines that the current pipeline safety codes require the use of the launchers and receivers wherever possible. The Commission, therefore, is requiring WEPCO and WG to install launchers and receivers on the Fox Valley lateral, with the exception that a receiver would not be required on the 16-inch portion of the gas line if adequate space cannot be acquired for its installation. If adequate space cannot be acquired for this location, the line must be designed to accommodate the use of a temporary receiver for the 16-inch gas line.

### **Route Flexibility**

The WEPCO/WG application provided detailed graphical representations showing the locations for the proposed gas line. The evaluation of the project was based on these described centerlines. It is reasonable to provide WEPCO and WG some level of flexibility to make minor changes to the routes as depicted in the application, either to accommodate landowner requests or to resolve a construction difficulty that may not yet be identified. WPSC, WEPCO/WG, and Commission staff all described possible route flexibility approaches in testimony. The slightly different approaches had similar basic components.

The Commission will allow a route flexibility provision that includes the following:

- 1) Allow route changes up to 100 feet from the proposed route if no new landowners are affected and no sensitive resources are impacted.
- 2) Allow changes of more than 100 feet if no new landowners are affected, affected landowners grant written approval of the change, and no sensitive resources are affected.



- 3) Any other changes would require Commission-delegated approval by the Administrator of the Gas and Energy Division.

### **Environmental Assessment**

The proposed project has been reviewed by the Commission for environmental impact. The construction of the proposed facilities would not have any undue adverse impacts on human or natural environments. This is a Type II action under Wis. Admin. Code § PSC 4.10(2). An environmental assessment was prepared to determine if the preparation of an environmental impact statement is necessary under Wis. Stat. § 1.11. The environmental assessment also considered the related laterals off the Guardian expansion proposed by WG and WPSC in dockets 6650-CG-220 and 6690-CG-160. The Commission has determined that no significant environmental impacts are likely. Therefore, an environmental impact statement is not required.

The proposed project was reviewed for potential flood hazard exposure per Executive Order 73 (1985). As no flood-sensitive facilities are to be located in or near any designated floodplain or flood prone areas, there is no significant flood risk to the proposed project.

The construction of the proposed project is not expected to affect any historic properties under Wis. Stat. § 44.40.

The proposed project is needed to provide adequate and reliable service to present and future natural gas customers.

Nothing in this Final Decision authorizes the Applicants to waive filed extension rules; to purchase additional transportation capacity, balancing, storage, or other pipeline services; or to obtain Purchased Gas Adjustment (PGA) recovery of the costs of additional natural gas supply.

In order to allow the Applicants to efficiently schedule pre-construction activities, it is reasonable for this Final Decision to be effective on the date of mailing.

### **Certificate**

WEPCO and WG, as natural gas public utilities, may construct facilities in Brown, Calumet and Outagamie Counties, for the purpose of connecting their existing natural gas distribution systems in the Appleton, Kimberly and Combined Locks areas to a proposed expansion of the Guardian Pipeline, as described in the Discussion section of this Final Decision. The Commission grants WEPCO and WG a certificate and authorizes WEPCO and WG to proceed with the proposed project, subject to the conditions in this Final Decision.

### **Order**

1. WEPCO and WG may construct the proposed facilities in Brown, Calumet and Outagamie Counties, Wisconsin as described in their application and the Discussion section of this Final Decision (approved project), and are granted a Certificate of Authority for the approved project subject to the conditions in this Final Decision.
2. WEPCO and WG may not proceed with construction of the approved project if Guardian does not proceed with its related expansion project.
3. WEPCO and WG shall implement all construction and environmental mitigation methods included in the project application, as modified during the project review and hearing process, when constructing the approved project, unless specifically modified by this Final Decision or related DNR permits. WEPCO and WG shall also construct the approved project in accordance with all applicable state and federal pipeline safety provisions, including Wis. Admin. Code ch. PSC 135 and 49 CFR Parts 192 and 199.

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4. WEPCO and WG shall construct Segment 1, the 20-inch portion of the Fox Valley lateral, on the southern route option.
5. WEPCO and WG shall continue to work with affected landowners to minimize landowner impacts, subject to engineering, environmental and economic constraints.
6. WEPCO and WG, prior to construction, shall have a qualified archeologist survey the project route for any remnants of archeological sites OU-0021 and OU-0093 and shall receive further Commission approval of additional impact mitigation measures if any site remnants are located.
7. WEPCO and WG shall implement, during construction of the approved project, oak wilt management practices equivalent to those required in Wis. Admin. Code § PSC 113.0511 for electric utility ROW work.
8. WEPCO and WG shall be required to install pig launchers and receivers as described in the Discussion section of this Final Decision.
9. WEPCO and WG may, without further Commission approval, move the location of the pipeline up to 100 feet from the approved centerline if no new landowners are affected and no sensitive resources are impacted. WEPCO and WG may, without further Commission approval, move the location of the pipeline more than 100 feet from the approved centerline if no new landowners are affected, the affected landowners grant written approval of the change, and no sensitive resources are affected. WEPCO and WG shall request and receive from the Gas and Energy Division Administrator written approval consistent with this Final Decision for all other route variations.

10. WEPCO and WG shall notify and obtain approval from the Commission before proceeding with any substantial change in the design, size, cost, or location of the approved project.

11. This Final Decision shall be effective on the date of mailing.

12. WEPCO and WG shall notify the Commission within five working days of the date actual, on-site, physical construction of the approved project is started; shall submit progress reports at 30 day intervals thereafter until the work is completed; and shall also notify the Commission within 20 working days after the approved facilities are placed in service.

13. WEPCO and WG shall file a report with the Commission promptly upon completion of construction of the approved project. The report shall include the final costs for the approved project segregated by plant account, a table comparing the estimated and actual costs for each of the major components, a table comparing the estimated and actual footage and the actual cost for each type and size of pipe installed, and an explanation of any significant variation between the authorized and actual cost.

14. If WEPCO and WG do not begin on-site physical construction within one year from the effective date of this Final Decision, the certificate authorizing the approved project shall become void unless WEPCO and WG file a written request for an extension of time with the Commission before the date on which the certificate becomes void and an extension of time is granted by the Commission.

15. If WEPCO and WG have not begun on-site physical construction and have not filed a written request for an extension before the date the certificate becomes void, WEPCO and

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WG shall inform the Commission of those facts in writing within 20 working days after the date on which the certificate becomes void for the approved project.

16. Jurisdiction is retained.

Dated at Madison, Wisconsin, June 15, 2007

By the Commission:

Sandra J. Paske  
Sandra J. Paske  
Secretary to the Commission

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See attached Notice of Appeal Rights

Notice of Appeal Rights

Notice is hereby given that a person aggrieved by the foregoing decision has the right to file a petition for judicial review as provided in Wis. Stat. § 227.53. The petition must be filed within 30 days after the date of mailing of this decision. That date is shown on the first page. If there is no date on the first page, the date of mailing is shown immediately above the signature line. The Public Service Commission of Wisconsin must be named as respondent in the petition for judicial review.

Notice is further given that, if the foregoing decision is an order following a proceeding which is a contested case as defined in Wis. Stat. § 227.01(3), a person aggrieved by the order has the further right to file one petition for rehearing as provided in Wis. Stat. § 227.49. The petition must be filed within 20 days of the date of mailing of this decision.

If this decision is an order after rehearing, a person aggrieved who wishes to appeal must seek judicial review rather than rehearing. A second petition for rehearing is not an option.

This general notice is for the purpose of ensuring compliance with Wis. Stat. § 227.48(2), and does not constitute a conclusion or admission that any particular party or person is necessarily aggrieved or that any particular decision or order is final or judicially reviewable.

Revised 9/28/98